

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL/REDEVELOPMENT AGENCY
and
RIALTO HOUSING AUTHORITY
MINUTES
July 20, 2004**

A regular meeting of the City Council/Redevelopment Agency of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday, July 20, 2004.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

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CALL TO ORDER

Mayor Vargas called the meeting to order at 4:05 p.m.

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The roll was called and the following were present: Mayor Vargas, Mayor Pro Tem Wilson and Council Members Robertson, Hanson and Sampson. Also present were City Administrator Garcia, City Attorney Owen and City Clerk McGee.

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CLOSED SESSION

1. Conference with Legal Counsel – existing litigation. The City Council will discuss the following pending litigation pursuant to Government Code Section 54956.9(a):

(a) City of Rialto v. United States Department of Defense, et. al.
(United States District Court Case No. EDVC 04-00079)

(b) Moore Electrical Contracting Inc.v. City of Rialto, et. al.
(San Bernardino Superior Court No. SCVSS116670)

(c) Aaron Vigil v. City of Rialto, et. al.
(San Bernardino Superior Court Case No. SCVSS116807)

CLOSED SESSION

- (d) Roger Hollis II, et. al. v. City of Rialto, et. al.
(Ventura Superior Court Case No. CIV219077)
- (e) Nikita L. Rucker on behalf and as Guardian Ad Litem for
Demetrius Swift V. City of Rialto, et. al.
(United States District Court Case No. EDCV 04-02068)
- (f) Billie Cortez v. City of Rialto, et. al.
(San Bernardino Superior Court Case No. SCVSS110046)

2. Conference with Legal Counsel – anticipated litigation.
The City Council will meet with its legal counsel to discuss initiating litigation pursuant to Section 54956.9, subdivision (c) of the Government Code with respect to two potential cases.

3. Conference with Real Property Negotiator pursuant to California Government Code Section 54956.8 and Government Code Section 54954.5(b):

Property: Highland Avenue
APN# 0040-251-14, 29, 30

Agency Negotiators: Robb Steel, Economic Development
Director on behalf of the
Redevelopment Agency
of the City of Rialto

Negotiating Parties: David Lewis,
Lewis Operating Companies

Under Negotiation: Price and Terms of Payment
for Acquisition
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CLOSED SESSION

Motion by Mayor Pro Tem Wilson, second by Council Member Sampson and carried by unanimous vote to go into Closed Session. City Council went into Closed Session at 4:06 p.m. and returned at 5:10 p.m.

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CALL TO ORDER

Mayor Vargas called the meeting to order at 6:04 p.m.

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The roll was called and the following were present: Mayor Vargas, Mayor Pro Tem Wilson, Council Members Robertson, Hanson and Sampson. Also present were City Administrator Garcia, City Attorney Owen and City Clerk McGee.

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Pledge of Allegiance and Invocation

Mayor Vargas led the pledge of allegiance. Pastor Roland Dooley – Calvary Chapel of Rialto gave the Invocation.

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**CITY ATTORNEY'S REPORT ON
CLOSED SESSION**

City Attorney Owen gave no report.

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**PRESENTATIONS AND
PROCLAMATIONS**

Greta Hodges Friends of Rialto Police K-9's Chairperson congratulated Fred Poching and K-9 Casper who recently received the Police Officer of the Year Award from the Rialto Exchange Club. She congratulated Officer Joe Maltese and K-9 Mike for coming in 2nd Place in the Toughest Dog Event at The 3rd Annual 2004 Police K-9 Demonstration. She introduced Officer Glen Anderson and Daisy who is a female papered bloodhound specializing in human scent identification and hopes to be utilized at the Rialto Police Department.

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Larry Thornburg, Recreation & Community Services Director gave an update regarding the first Teen Summit.

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Ms. Brianna, ASB President from Eisenhower High School and Britney Davis, ASB President Carter High School thanked the Benefactors for making the trip to Washington D.C. possible.

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Robb Steel, Economic Development Director presented the Redevelopment Agency Economic Activities Report regarding the employment growth and retention component.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

1. Resolution No. 1 (7/2/04)
2. Resolution No. 2 (7/9/04)

CONSENT CALENDAR

C. SETTING OF PUBLIC HEARINGS

1. Request city Council to set the public hearing for the **August 3, 2004** City Council Meeting for the placement of liens (delinquent refuse collection accounts) against the properties shown on the attachment.
2. Request City Council and Redevelopment Agency to adopt **Resolution No. 5125** and **RDA Resolution No. 435** consenting to a Joint a Public Hearing for the **September 7, 2004** City Council Meeting for the proposed second amendment to the Redevelopment Plan for the Merged Agua Mansa, Central Business District, Gateway, and Industrial Redevelopment Projects.

D. MISCELLANEOUS

1. Request City Council to hold a Public Meeting to hear comments and/or objections to the proposed assessments in the 2004/2005 Engineer's Report for the Street Lighting District No. 1.
2. Request City Council to hold a Public Meeting to hear comments and/or objections to the proposed assessments in the 2004/2005 Engineer's Report for the Landscape Maintenance District No. 1.
3. Request City Council to adopt **Resolution No. 5127** establishment of a Citizen Corps Council.
4. Request City Council to approve the proposed changes to the "Home Sweet Home" Program and Emergency Home Repair Program.
5. Request City Council to approve the Notice of Completion for City Project No. 000731 – Rialto Metrolink/Downtown Pedestrian Improvements Project.
6. Request City Council to make findings of continuing the Emergency for the Acquisition of Wellhead Treatment.

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City Attorney Owen stated that if anyone in the audience would like to speak on Items D-1 and D-2 which are public meetings regarding the Street Lighting District and Landscape Maintenance District.

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No one came forward.

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CONSENT CALENDAR

Motion by Mayor Pro Tem Wilson, second by Council Member Hanson and carried by unanimous vote to approve the Consent Calendar as presented.

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PUBLIC HEARING

TAB 1 - Purchase and Sale Agreement with Seven Seas Investment LLP

Robb Steel, Economic Development Director stated that this is a purchase and sale agreement for 160 W. Merrill Ave. They have been working with TELACU to develop a 70 unit elderly housing project. TELACU optioned the property and submitted an application to the Federal Government for Section 202 Housing funds and was awarded a \$10 million grant to build and operate the project. When they met with TELACU, staff felt that the site was too small for the proposed number of units. Consequently they entered into discussions with the joint property owner about severing the car wash from the vacant land that surrounds it and contributing it to the TELACU project. With City Council's direction they appraised the property and came back at \$10 per square foot of land. They made this offer the property owner and after considerable negotiations and exchange of comparable information they've agreed on a purchase a price of \$11 per square foot. He stated that he is quoting the price per square foot because they need to complete a land survey to establish what the exact purchase price will be, but it will be approximately \$425,000. The purchase price negotiated is slightly above the appraised amount, but its 10% above the appraised amount. Typically if an eminent domain action is pursued, you end up paying far more than the extra compensation represented by the 10%. The purchase agreement sets forth the terms and they still have to do due diligence, Phase I investigation and Title investigation. The site will eventually be sold to TELACU and they cannot take possession of the site until next June. The funding from HUD does not come in until then. There is a slight risk that if they acquire the land and something was to happen and TELACU was not able to perform, they would own the site without a development or a development agreement in place. TELACU is confident that nothing will threaten their acquisition of the site. They have done all their due diligence now and the funding with HUD is committed. The monies are budgeted in the low/moderate income housing income set aside fund. There will be loan to the Rialto Housing Authority to make the acquisition. He stated that the recommendations are to approve the purchase and sale agreement to adopt Resolutions approving the loan agreements between the Redevelopment Agency and the Rialto Housing Authority and to appropriate funds to complete the acquisition.

PUBLIC HEARING

TAB 1 - Purchase and Sale Agreement with Seven Seas Investment LLP

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Mayor Vargas asked how many units will be built.

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Robb Steel, Economic Development Director stated that HUD approved 70 units.

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Council Member Hanson asked if all the units will be at a low income level.

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Robb Steel, Economic Development Director stated that all the units will be at a very low income level.

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Motion by Council Member Sampson and second by Council Member Robertson and carried by unanimous vote to approve the Purchase and Sale Agreement with Seven Seas Investment LLP for the purchase of 160 W. Merrill Avenue for a purchase price and closing costs not to exceed \$460,000.

RDA RESOLUTION NO. 433

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO APPROVING A LOAN AGREEMENT WIT THE RIALTO HOUSING AUTHORITY FOR THE PURPOSE OF FUNDING ACTIVITIES RELATED TO THE PURCHASE AND SALE AGREEMENT FOR THE PURCHASE OF A PORTION OF 160 W, MERRILL AVENUE, RIALTO, TO BE UTILIZED AND PART OF A SENIOR HOUSING PROJECT.

RHA RESOLUTION NO. 0003-04

A RESOLUTION OF THE RIALTO HOUSING AUTHORITY APPROVING A LOAN AGREEMENT WIT THE RIALTO HOUSING AUTHORITY FOR THE PURPOSE OF FUNDING ACTIVITIES RELATED TO THE PURCHASE AND SALE AGREEMENT FOR THE PURCHASE OF A PORTION OF 160 W, MERRILL AVENUE, RIALTO, TO BE UTILIZED AD PART OF A SENIOR HOUSING PROJECT.

RDA RESOLUTION NO. 434

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF RIALTO, CALIFORNIA, AMENDING ITS 2004-2005 FISCAL BUDGET AND APPROVING THE APPROPRIATING OF FUNDS PURSUANT TO THE PURCHASE AND SEAL AGREEMENT FOR 160 W. MERRILL AVENUE FROM SEVEN SEAS INVESTMENT LLP TO BE UTILIZED FOR A SENIOR HOUSINGS COMPLEX.

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NEW BUSINESS

TAB 2 - PSA with David Turch and Associates

Robb Steel, Economic Development Director stated that this is the annual contract with David Turch and Associates to perform the City and Redevelopment Agency lobbying services. There was no change to the contract scope or compensation for the 2004/2005 fiscal year for base contract amount of \$60,000 and they added \$5,000 for reimbursable expenses that are authorized under the contract which is a total potential obligation of \$65,000. There are two funding sources where the Redevelopment Agency picks up the first \$48,000 and then the City General Fund picks up the balance. Staff's recommendation is to approve a contract with David Turch and Associates for a term not to exceed one year.

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Motion by Mayor Pro Tem Wilson, second by Council Member Robertson and carried by unanimous vote to approve the Professional Services Agreement with David Turch and Associates for Legislative Advocacy Services for a term not to exceed one year in an amount not to exceed \$65,000.

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TAB 3 – MOU with the County of San Bernardino regarding roadway maintenance fees

Assistant City Administrator Warner stated that in 1998 a Development agreement approved by the County of San Bernardino for the development and expansion of the Sanitary landfill. At that time there were a number of provisions and in the agreement that called for different payments to occur. One of those payments was an annual amount that was to reimburse the City for damage done by extras trucks and refuse traffic coming through the City as a result of the expansion. Unfortunately, that section of the agreement was not specific on how that was to be done. County and City staff have been working on this for a year trying to develop that agreed upon method. They entered into an engineering study done where they did traffic counts and they worked through what trucks are coming from which areas. From this the engineers have been able to take the cost of construction, the number of mile and figure out an annual amount. He stated that the base line of what the increased truck traffic cost the City was approximately \$101,000 per year. They also determined that during that process it was pretty cumbersome to try and find a new amount each and every time. They did agree upon a process where they would use the base amount that was calculated in the Engineer's report.

NEW BUSINESS

TAB 3 – MOU with the County of San Bernardino regarding roadway maintenance fees

Assistant City Administrator Warner stated that each year it would be adjusted by a combination of the increased tonage that occurs at the landfill which will be a surrogate saying that many more trucks will come through the landfill and also increase that \$101,000 base by the amount of the price index for California Highway Construction. This will be an annual payment made after the end of each calendar year, reconciled by both City and County staff.

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Motion by Council Member Hanson, second by Council Member Robertson and carried by unanimous vote to approve the Memorandum of Understanding with the County of San Bernardino regarding Roadway Maintenance Fees under the Mid Valley Landfill Development Agreement.

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NEW BUSINESS

TAB 4 - Resolution No. 5728 - the use of surplus General Funds

June Overholt, Chief Financial Officer stated that staff is recommending the use of available funds from the fiscal year 2004 to pay for certain deferred maintenance, equipment replacement, new service equipment for the Fire, Police, Public Works and Finance Departments. They discussed the budget workshops that there were capital requests that could not be included in the regular budget but which still needed attention. These requests address brick and mortar projects that need to be funded through the general fund. They address areas such as customer service, including the training center for the Fire Department, a fire engine for the Fire Department, repairing the damaged restrooms at Andreson Park, some Recreation repairs needed in the locker room. They have beautification, exterior painting at the civic center, Palm Avenue landscape improvements, re-roofing of the library, new vehicles for Code Enforcement-Business Licensing. Through the Utility User Tax they also have new equipment that the Police Department needed for the new staff due to the UUT. Staff considered several options looking for funding, including recommending utilizing some of the reserves that have been set up for budget contingencies. As a result of the loss of the booking fees that the budget had to absorb and this was related to the State Budget crisis. After an analysis of the preliminary year-end numbers which ended at June 30th they look at the actual activity that occurred. She stated that based on that analysis there appeared to be sufficient budget savings to make this recommendation. On a conservative basis the minimum projected savings available for this action totals to \$1.6 million. The estimated cost for the deferred maintenance projects, equipment, and new service equipment totals \$1.4 million.

NEW BUSINESS

TAB 4 - Resolution No. 5728 - the use of surplus General Funds

June Overholt, Chief Financial Officer stated that this is a projection that would need to be refined through the bid process and those separate actions will be coming to City Council soon. Staff is recommending appropriating these funds for all projects listed in the exhibit. She stated that 75% of the funds requested are for public safety, primarily of the Police Department for vehicles that are needed. Included in the funding are some unspent Utility User Tax revenues projected to come in through the year-end.

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Council Member Robertson asked if they are proposing that all of the projects will occur in the next fiscal year.

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June Overholt, Chief Financial Officer stated that pending City Council's approval tonight they will see these items in the CIP in September and the intent is that it will all take place within this next fiscal year.

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Mayor Vargas thanked the staff for being able to save and make this possible. She stated that she knows that Maintenance needs equipment and now it's possible.

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Motion by Council Member Robertson, second by Council Member Hanson and carried by unanimous vote to adopt **Resolution No. 5128** to approve the use of surplus general funds to pay for certain deferred maintenance, equipment replacement items and new service equipment for the Fire, Police, Public Works, and Finance Departments in the amount of \$1,461,587.

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ORAL COMMUNICATIONS

No one came forward.

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REPORTS

Mayor Pro Tem Wilson expressed his condolences to Mr. Bob Minick on the passing of his wife Dorothy Minick and wished to close the meeting in her honor.

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Council Member Hanson stated that she attended the 2nd Annual Arts & Cultural Exhibition hosted by Fontana Chamber of Commerce.

REPORTS

Council Member Hanson stated that the Rialto Community Players opened a new summer show, "A Tale of Two Cities" based on the Charles Dickens novel. She stated that they have agents from Hollywood reviewing it and think it has the potential of becoming the next Broadway Show. Auditions are being held for the upcoming play "Mr. Roberts" at the Rialto Playhouse.

Council Member Hanson announced that the 2004 Jr. Police Academy begins Wednesday, July 24th and runs for 4 weeks.

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Council Member Sampson expressed his and his family's condolences to Mr. Bob Minick on the passing of his wife Dorothy.

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Council Member Robertson expressed her appreciation and thanks to the Public Works Department, Maintenance Division for improving the area around the Johnson Community Center.

Council Member Robertson expressed her condolences to Mr. Bob Minick on the passing of his wife Dorothy.

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Mayor Vargas stated that she attended The Woman's Club Presentation honoring Gerry Vaughn.

Mayor Vargas stated that she attended the Employee Picnic and thanked Julie Frazier-Mathews and committee for their time and effort on bringing the employees together.

Mayor Vargas stated that she attended the League of California Cities Dinner.

Mayor Vargas stated that the Black Chamber of Commerce invited her as a speaker at the Interior Convention Center on understanding the political process.

Mayor Vargas stated that they will finish up the Las Colinas Clean-up next weekend.

Mayor Vargas announced a community meeting on August 9th at Fitzgerald Elementary for Las Colinas residents regarding development at Sierra and Riverside Avenues.

Mayor Vargas expressed her condolences to Bob Minick and his family on the passing of Dorothy Minick.

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City Administrator Report

City Administrator Garcia expressed his appreciation and thanks to the camera crew.

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ADJOURNMENT

Motion by Council Member Sampson, second by Mayor Pro Tem Wilson and carried by unanimous vote to adjourn the meeting in memory of:

Dorothy Minick

The City Council adjourned at 7:30 p.m.

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MAYOR GRACE VARGAS

ATTEST:

CITY CLERK BARBARA A. McGEE, CMC